

January 9, 2022

The Honorable Heather Sanborn, Chair
The Honorable Denise Tepler, Chair
Committee on Health Coverage, Insurance and Financial Services
Maine State Capitol
Augusta, ME 04330

RE: LD 1783, SP 621

Dear Chairs Sanborn and Tepler,

On behalf of the Lupus and Allied Diseases Association and the millions of Maine residents both directly and indirectly affected by diseases of unmet need, I submit this testimony expressing our strong support for LD 1783, SP 621, *An Act To Require Health Insurance Carriers and Pharmacy Benefits Managers To Appropriately Account for Cost-sharing Amounts Paid on Behalf of Insureds.*

This bill requires health insurance carriers and their pharmacy benefits managers to include cost-sharing amounts paid on behalf of an insured when calculating the insured's contribution to any out-of-pocket maximum, deductible or copayment when a drug does not have an alternative equivalent or was obtained through prior authorization, a step therapy override exception or an exception or appeal process. The bill's requirements apply to prescription drug benefits provided pursuant to a contract or policy of insurance by a carrier or a pharmacy benefits manager on behalf of a carrier on or after January 1, 2023.

As an individual who struggles daily to manage multiple autoimmune diseases, I passionately urge you and the members of the Committee on Health Coverage, Insurance and Financial Services to support this important legislation as LD 1783, SP 621 provides vital patient access and affordability at a time when our healthcare system is overburdened by the COVID-19 pandemic.

Copay accumulators are a relatively new insurance benefit design being adopted by health insurance plans that prevent patients from using copay cards or coupons to cover their out-of-pocket expenses. This cost-shifting mechanism changes the way an insured individual's out-of-pocket contributions for prescription drugs are calculated. Copay accumulators do not consider any discounts or coupons that the insured person receives from the drug manufacturer when calculating the insured's out-of-pocket expenses and therefore do not count them toward the patient's maximum out-of-pocket limit.

This practice shifts the cost towards patients as the insurance plans are essentially "double dipping" by requiring the individual to pay their normal copay while still receiving a discount or coupon from the drug manufacturer, in turn causing the individual to take longer to satisfy their deductible. This unfair design is especially challenging for individuals with high deductible or high copayment requirements in their health insurance plans.

Given the current global healthcare crisis in which Maine residents and others throughout the world are experiencing hardship in dealing with the COVID-19 pandemic, individuals already struggling to manage their chronic and rare medical conditions are now facing additional challenges of covering the cost of their medication and accessing appropriate healthcare. Copay coupons and cards provide financial relief to

patients through manufacturer programs created to offset the cost sharing associated with certain treatments while assisting patients in meeting their maximum out-of-pocket limits. Copay assistance programs provide patient access to life-sustaining and lifesaving medication that would otherwise be unaffordable while also promoting treatment adherence.

The proposed legislation discontinues the use of copay accumulators statewide by requiring insurance companies and pharmacy benefit managers to apply price reduction instruments for out-of-pocket expenses when calculating an insured individual's cost-sharing requirement. We urge you to make Maine the next state to protect its residents from insurmountable out-of-pocket costs and join the twelve other states and Puerto Rico who have passed similar legislation to ensure all copays count toward the deductible and out-of-pocket maximum.

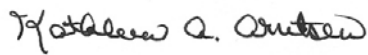
The Lupus and Allied Diseases Association was founded in 1978 and is a national non-profit organization led by people with lupus and allied diseases and their loved ones who are dedicated to ensuring that the patient perspective is included and recognized as an equal stakeholder in the healthcare, regulatory and public policy arenas and across the research continuum. It is our goal to improve access to care and quality of life by fostering collaboration among stakeholders and by wielding the patient voice as a catalyst to advance innovative advocacy, education, awareness and biomedical research initiatives that will identify causes, advance better diagnostics, and discover superior treatments, and cures.

As patient stakeholders ourselves, who represent patients and loved ones dealing with serious medical conditions for which there are limited appropriate treatment options, we strongly support establishing essential patient protections such as LD 1783, SP 621 that improve access to our vital therapies and help us afford the medications we require to remain active and productive members of society.

We request that the Committee on Health Coverage, Insurance and Financial Services vote YES to support this legislation and stand with patients like us by prohibiting copay accumulators to stop this unfair practice and require health insurance plans to count all dollars towards an insured individual's deductible or out-of-pocket maximum. We must remain vigilant in protecting Maine residents while promoting unfettered access to vital life-enhancing and lifesaving treatments.

We thank you for the opportunity to provide our unique patient viewpoint as testimony and for your support of strong patient safeguards. Please contact me at 315-264-9101 or kathleen@ladainc.org if you have any questions.

Respectfully Submitted-



Kathleen A. Arntsen
President & CEO

CC: Members, Committee on Health Coverage, Insurance and Financial Services